

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
FUSELLA GROUP, LLC., : Case No. 08-14360(AJG)
Debtor. :
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**OPERATING STATEMENT FOR THE PERIOD
JANUARY 1, 2009 TO JANUARY 31, 2009**

DEBTOR'S ADDRESS: 1201 Elder Avenue
Bronx, NY 10472
and
40 DeForest Avenue
East Hanover, NJ 07936

MONTHLY DISBURSEMENTS: \$ 620,008.46

DEBTOR'S ATTORNEY: SCOTT S. MARKOWITZ

REPORT PREPARER: Joseph A. Mazziotti

MONTHLY OPERATING PROFIT (LOSS): \$ (21,308.91)

REPORT PREPARED BY: Joseph A. Mazziotti

THIS OPERATING STATEMENT MUST BE SIGNED BY A REPRESENTATIVE OF THE
DEBTOR.

THE UNDERSIGNED, HAVING REVIEWED THE ATTACHED REPORT AND
BEING FAMILIAR WITH THE DEBTOR'S FINANCIAL AFFAIRS, VERIFIED UNDER
THE PENALTY OF PERJURY, THAT THE INFORMATION CONTAINED THEREIN IS
COMPLETE, ACCURATE AND TRUTHFUL TO THE BEST OF MY KNOWLEDGE.

DATE: March 3, 2009

By: /s/ Vincent J. Fusella, Jr.
Vincent J. Fusella, Jr.

INDICATE IF THIS IS AN AMENDED STATEMENT BY CHECKING HERE: []

**FUSELLA GROUP, LLC
(DEBTOR IN POSSESSION)
BALANCE SHEET
JANUARY 31, 2009**

ASSETS

Current assets

Cash	\$ 453.52
Accounts receivable	1,345,781.12
Employee advances	<u>11,580.88</u>

Total current assets \$ 1,357,815.52

Property and equipment - net 2,945,283.02

TOTAL ASSETS \$ 4,303,098.54

LIABILITIES AND MEMBERS' DEFICIT

Liabilities not subject to compromise

Accounts payable - trade	\$ 148,788.98
Accounts payable - professional fees	59,056.64
Accrued pension and welfare fund contributions	133,800.33
Union dues withheld (checkoff)	<u>17,907.17</u>
	\$ 359,553.12

Liabilities subject to compromise

Operating line of credit	390,000.00
Accounts payable - trade	796,071.00
Accrued pension and welfare fund contributions	753,602.83
Notes payable - current	721,275.88
Payroll liabilities	251,064.51
Union dues withheld (checkoff)	124,696.51
Notes payable - non-current	<u>1,931,173.96</u>
	4,967,884.69

Total liabilities 5,327,437.81

Members' deficit (1,024,339.27)

TOTAL LIABILITIES AND MEMBERS' DEFICIT \$ 4,303,098.54

FUSELLA GROUP, LLC
(DEBTOR IN POSSESSION)
STATEMENT OF OPERATIONS AND ACCUMULATED MEMBERS' DEFICIT
PERIOD JANUARY 1 - JANUARY 31, 2009

Transportation revenue \$ 545,332.91

Cost of transportation

Job related labor costs

Job labor (gross wages)	\$ 134,956.08
Salt	12,151.60
Fuel	65,366.83
Parts	38,863.30
Repairs & Maintenance	4,347.40
Road & fuel tax	88.88
Tires	6,746.87
Tolls	38,425.00
Towing	6,163.56
Violations	10,219.00
Trucking expenses - other	<u>6,933.31</u>

Total costs of transportation \$ 324,261.83

Gross profit 221,071.08

FUSELLA GROUP, LLC
(DEBTOR IN POSSESSION)
STATEMENT OF OPERATIONS AND ACCUMULATED MEMBERS' DEFICIT
PERIOD JANUARY 1 - JANUARY 31, 2009

Operating expenses

Advertising	442.00
Automobile expense	3,947.54
Bank service charges	140.00
Cleaning	70.00
Depreciation	31,251.72
Drug Testing	915.00
Filing Fee	57.00
Garnishment	266.85
Guaranteed payments - G. Fusella	17,500.00
Guaranteed payments - V. Fusella	17,500.00
Insurance	35,000.33
Internet access fee	154.13
Loan interest (equipment financing)	5,488.22
Miscellaneous	68.46
Office	9,930.22
Office salary	4,800.00
Payroll processing fees	487.50
Postage and delivery	520.69
Professional fees	6,940.00
Rent	14,703.28
Repairs and maintenance	8,065.12
Safety training	1,250.00
Snow plowing	2,700.00
Payroll taxes	18,905.28
Telephone	3,709.65
Tools & machinery (under \$500)	1,200.00
Uniform cleaning	937.20
Travel & entertainment	4,000.00
Pension and welfare fund contributions	79,652.70
Utilities	3,028.81
Total operating expenses	<u>273,631.70</u>
NET LOSS	(52,560.62)
MEMBERS' DEFICIT - JANUARY 1, 2009	(967,616.71)
PRE 11/4/08 - CHANGE IN EQUITY	<u>(4,161.94)</u>
MEMBERS' DEFICIT - JANUARY 31, 2009	<u><u>\$ (1,024,339.27)</u></u>

**FUSELLA GROUP, LLC
(DEBTOR IN POSSESSION)
STATEMENT OF CASH FLOWS
PERIOD JANUARY 1 - JANUARY 31, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss		<u>\$ (52,560.62)</u>
ADJUSTMENT TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	\$ 31,251.72	
Prior adjustment	(4,161.94)	
decrease (increase) in:		
Accounts receivable	(378,074.53)	
Employee advances		
Increase in:		
Accounts payable	82,405.30	
Accrued pension and welfare fund contributions	14,714.70	
Union dues payable (checkoff)	<u>2,717.37</u>	
TOTAL ADJUSTMENTS TO NET INCOME		<u>(251,147.38)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>(303,708.00)</u>

CASH FLOWS USED IN FINANCING ACTIVITIES

Principal payments on notes payable	<u>(9,964.27)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(9,964.27)</u>
NET DECREASE IN CASH	(313,672.27)
CASH - JANUARY 1, 2009 (BEGINNING)	<u>314,125.79</u>
CASH - JANUARY 31, 2009 (ENDING)	<u>\$ 453.52</u>